

VZCZCXYZ0035
OO RUEHWEB

DE RUEHBU #0908/01 1112032
ZNR UUUUU ZZH
O 212032Z APR 06
FM AMEMBASSY BUENOS AIRES
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4253
INFO RHMFSS/CDR USSOCOM MACDILL AFB FL//SCJ2//
RULGPUA/USCOMSOLANT

UNCLAS BUENOS AIRES 000908

SIPDIS

STATE FOR INR/R/MR, I/GWHA, WHA, WHA/PDA, WHA/BSC,
WHA/EPSC
CDR USSOCOM FOR J-2 IAD/LAMA

SIPDIS

E.O. 12958: N/A

TAGS: [KPAQ](#) [OPRC](#) [KMDR](#) [PREL](#) [MEDIA](#) [REACTION](#)

SUBJECT: MEDIA REACTION US IMMIGRATION POLICY
VENEZUELA LEAVING THE ANDEAN COMMUNITY OF NATIONS
CHAVEZ-LULA-KIRCHNER UPCOMING MEETING MICELI TO
WASHINGTON IMF AND ARGENTINA IRAN 04/21/06

11. SUMMARY STATEMENT

Key international stories today include the wave of arrests of illegal immigrants in the US; US President Bush's tour to China; Venezuela leaving the Andean Community of Nations to join Mercosur; Venezuelan President Hugo Chavez's statement that there are 'imperialistic forces that want to divide Argentina and Uruguay on the pulp mills issue,' and the summit will take place among Chavez, Lula and Kirchner; and Argentine Economy Minister Felisa Miceli's trip to Washington and the alleged IMF criticism of Argentina's macroeconomic "inconsistencies." Daily-of-record "La Nacion" carries an editorial calling for Argentina to continue to support the international community's position on Iran's nuclear projects.

12. OPINION PIECES AND KEY STORIES

- "Wave of arrests of illegal immigrants in the US"

Alberto Armendariz, on special assignment in New York for daily-of-record "La Nacion," writes (04/21) "With the arrest of more than one thousand undocumented workers and their employers in 26 states, the USG launched yesterday a massive offensive against illegal immigration now that the US Congress is discussing the luck of 12 million undocumented immigrants living in the country.

"According to US Homeland Security Secretary Michael Chertoff during a press conference, 'Both employers and workers should know that the status quo has changed. We'll treat employers of undocumented workers in the same way we treat criminal organizations.'"

- "The complex questions about the Washington-Beijing relationship"

Oscar Raul Cardoso, international analyst of leading "Clarín," writes (04/21) "... Hu Jintao himself mentioned the 'several problems' in the Sino-US trade relationship without being able to mention solutions.

"Those 'several problems' are huge. The 2004 US bilateral trade deficit was slightly below 200 billion dollars, and that of 2005, of 202 billion dollars. Some predict that the 2006 trade deficit will be 300

billion dollars, although perhaps they are too pessimistic.

"This huge trading asymmetry drags the entire relationship somewhere else. In order to prevent the unwanted defects of its economic growth..., Beijing has opted to resend hard currency to the US in the form of low-interest loans. The US is developing a dangerous addiction to this cash flow, resulting in a disregard for its own fiscal deficit..."

"There is more, of course. China's astonishing growth has made it the second oil consumer in the world... Chinese leaders are extremely pragmatic on this, and they have ties with many countries which Washington has excluded from its own list - Sudan, Zimbabwe, Iran, Angola, among others. China's unwillingness to support the current US aggressiveness toward Iran due to the nuclear issue is one of the most contentious topics in Hu-Bush common agenda.

"Also, the two countries have developed a badly disguised spirit of at least potentially mutual enemies. The way in which Beijing is promoting a strong policy in Asia through regional fora and bilateral deals that specifically exclude Washington's political and military presence in this area is another reason for discord. And, as though this was not enough, there is the intense task of overhauling the red Army, which is the one having more troops all over the world."

- "Venezuela is leaving the Andean Community to bet on Mercosur"

Business-financial, center-right "InfoBae" (04/21)

reports "Venezuela confirmed to the EU its decision to leave the Andean Community of Nations..."

"According to Venezuelan President Hugo Chavez, the Andean Community 'is dead,' and 'it was killed by the free trade deals signed between country-members (like Peru and Colombia) and the US.'

"... Chavez now awaits Venezuela's official entry into Mercosur as a full member December 9. He believes complementary action will be prioritized."

- "Chavez charges 'imperialism'"

Eleonora Gosman, on special assignment in Curitiba for leading "Clarín," writes (04/21) "Last night, shortly before his meeting with his counterpart Lula in Brasilia, Venezuelan Hugo Chavez said 'I have confidence in the ability of our brotherly presidents of Argentina and Uruguay, and particularly in the wisdom of our peoples, which will permit a solution to the conflict between the two countries.' However, the Venezuelan leader believes that there are 'imperialistic forces that want to divide us on the pulp mills issue.'

"Asked whether he was speaking of the US, Chavez answered 'It is obvious that we are talking of the USG. I have no doubt that they are acting behind the scenes, and they intensified their battle after the defeat they suffered last November in Mar del Plata when they tried to impose the FTAA project.'"

- "Meeting in Brasilia"

Left-of-center "Página 12" reports (04/21) "Hugo Chavez announced yesterday that next week there will be a tripartite summit in Brasilia among himself, Lula and Nestor Kirchner. He said ironically 'We are making

up the axis of evil, as some call it, in South America'..."

"According to Chavez, Venezuela will take all necessary steps to become a full member of 'the new Mercosur.' This will certainly be one of the topics to be discussed by the three presidents when they meet in Brasilia next week."

- "A hostile climate surrounds Miceli's trip to the US"

Marcelo Bonelli, economic columnist of leading "Clarín," writes (04/219) "Felisa Miceli began a difficult political mission in the US yesterday - she will have to face and reverse Washington's critical opinion of the Argentine economic model.

"The first sign of skepticism was given by the IMF. The IMF had never publicly expressed its criticism of Argentina since (Miceli) took over. However, the IMF staff waited until Miceli made her first trip to the US in order to release a resounding document, which questions the chore of the Argentine economic policy and anti-inflationary strategy.

"US Treasury Under Secretary Tim Adams threatened that Argentina will have to explain the reasons of its macroeconomic inconsistencies 'Argentina will be in the G7 agenda'..."

"Yesterday Rodrigo Rato and then John Snow followed the same direction, although more diplomatically. The two of them praised growth, but are doubtful about the future.

"Criticism is focused on the fact that 'there is no positive business atmosphere' and Washington believes that anti-inflationary measures are inefficient. In other words, they do not want Argentina to sustain its dollar value and believe that price control accords spark irreparable distortions in the medium term."

3. EDITORIALS

- "Iran challenges the UN"

Daily-of-record "La Nación" editorializes (04/21) "... The danger of the Iranian leadership seems obvious due to its intervention in the Middle East confrontation in order to repeatedly thwart the possibilities of a lasting peace, on the one hand. On the other hand, its behavior regarding what happens in Lebanon, Syria and Iraq does not seem to favor peace but the opposite. To this, one should add the increasing belligerence of its new authorities, who repeatedly threaten the 'annihilation' of Israel.

"All this feeds an increasingly undisguised international concern..."

"This is why..., the US has just submitted a draft resolution to the UN Security Council, which, if approved, could authorize the use of sanctions and even force... if Iran continues disregarding its warnings.

"... This is obviously the most sensitive issue of the UN Security Council agenda. In contrast to countries like Venezuela and Cuba, which openly support Iran, Argentina has pragmatically supported the international community on this issue so far, and this is what it should do in situations like this."

To see more Buenos Aires reporting, visit our

classified website at:
<http://www.state.sqov.gov/p/wha/buenosaires>

GUTIERREZ